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**BY ELECTRONIC MAIL
AND FIRST CLASS MAIL**

Eric J. Wilson

Deputy Director for Enforcement and Homeland Security

Emergency and Remedial Response Division

U.S. Environmental Protection Agency

Region II

290 Broadway

New York, N.Y. 10007-1866

Re: Diamond Alkali Superfund Site OU2 -- Lower 8.3 Miles of Lower Passaic River:
Cash-out Settlement Discussions

Dear Mr. Wilson:

Celanese Ltd. ("Celanese") has contacted the U.S. Environmental Protection Agency ("EPA") on a number of occasions to express Celanese's interest in a cash-out settlement for the Diamond Alkali Superfund Site. Most recently, Celanese wrote to EPA on April 29, 2016, to request that Celanese be included in a cash-out settlement for the Lower 8.3 miles of the Lower Passaic River (OU2).

Celanese was disappointed that it was not included among the 20 parties EPA identified in its March 30, 2017 letter as candidates for an early cash-out settlement for OU2. But Celanese understands from your May 17, 2017, letter that "parties that have not received an early cash-out settlement offer from EPA may still be able to participate in a cash-out settlement for OU2 with EPA in the future."

Celanese writes now: (1) to reaffirm its willingness to participate in a cash-out settlement for OU2 (which Celanese understands may involve a third-party allocator acting under EPA auspices); and (2) to provide additional information supporting the inclusion of Celanese in the second round of cash-out settlements. Celanese writes separately, rather than as a part of a larger group, because it recently decided, after participating as a member

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for more than 10 years, to withdraw from the Lower Passaic River Study Area Site Cooperating Parties Group (“CPG”).¹

Satisfaction of Cash-Out Settlement Criteria

As noted in your May 17, 2017 letter “[t]he parties that EPA identified as eligible for an early cash out settlement are those that, based on the information reviewed by EPA, are not associated with the release or disposal of any of the COCs for OU2, as identified in the ROD, into the Lower Passaic River.” You further explained that the documents EPA relied on in reaching this conclusion were the “Tierra Solutions’ Nexus Documents” and documents posted to the Diamond Alkali Superfund Site web site, which principally consist of 104(e) responses and other communications with the cash-out parties. A review of the Tierra Solutions Nexus Documents for Celanese, Celanese’s 104(e) response, and other information concerning Celanese’s operations in the area support a conclusion that Celanese also is “not associated with a release or disposal of any of the COCs for OU2, as identified in the ROD, into the Lower Passaic River,” and thus, that Celanese meets EPA’s criteria for a cash-out settlement.

(a) 354 Doremus Avenue

EPA identified Celanese as potentially responsible for response costs related to the Lower Passaic River based on alleged releases from a former Celanese facility at 354 Doremus Avenue in Newark, New Jersey. This facility is the subject of EPA’s 104(e) request, is the facility addressed in Celanese’s response to that request, and is the facility identified in the Tierra Solutions’ Nexus Documents. As disclosed in those documents, the chemicals that Celanese stored or manufactured at this facility from 1954 through 1996, included organic acids, acetates, acrylates, glycols, and formaldehyde. None of these chemicals persist in sediments, and none have been identified as COCs for OU2. Therefore, Celanese’s operations at 345 Doremus Avenue “are not associated with the release or disposal of any of the COCs for OU2, as identified in the ROD, into the Lower Passaic River.”

In addition, as EPA is aware, the Essex County Improvement Authority (ECIA) is the current owner of 354 Doremus Avenue and assumed responsibility for environmental conditions related to 354 Doremus Avenue when it purchased the property in 1998. ECIA has since joined the CPG, has assumed responsibility for this property within the CPG, and soon will be added as a signatory to EPA’s Administrative Settlement and Agreement and Order on Consent for the Remedial Investigation/Feasibility Study of the Lower Passaic River. To the extent EPA is concerned that operations of other parties at 354 Doremus Avenue might have resulted in a release or disposal of the COCs for OU2, ECIA is the appropriate party to address such concerns.

¹ Celanese will continue to fulfill its obligations under the Administrative Settlement Agreement and Order on Consent for Remedial Investigation /Feasibility Study for the Lower Passaic River Study Area portion of the Diamond Alkali Superfund Site.

(b) 290 Ferry Street

After responding to EPA's 104(e) request, Celanese discovered and disclosed to EPA that Celanese operated, from approximately 1927 to 1973, a second, inland facility in Newark, New Jersey located a considerable distance from the River. This facility, located at 290 Ferry Street (6 blocks from the River), manufactured celluloid and cellulose acetate products. The chemicals used in these manufacturing processes, which primarily included cellulose, acids, alcohols, solvents, camphor, and Lindol, do not persist in sediments, and none have been identified as COCs for OU2. In short, Celanese's operations at 290 Ferry Street also "are not associated with the release or disposal of any of the COCs for OU2, as identified in the ROD, into the Lower Passaic River."

Similarity to Cash-Out Settlement Parties

Notably, a review of the information EPA relied on to identify the 20 parties eligible for an early cash-out settlement, reveals that several engaged in operations similar to the operations of Celanese. For example, the operations of Wiggins Plastics, which manufactured thermoset and thermoplastic materials at 180 Kingsland Road in Clifton, New Jersey for more than 50 years, and the operations of Flexon Industries, which manufactured plastic sheeting and film, including vinyl chloride plastic, at 666 Washington Avenue in Bellville, New Jersey for more than 30 years, are similar to the operations of Celanese at 290 Ferry Street. Additionally, the operations of EM Sergeant Pulp & Chemical Co., which involved chemical repackaging, blending, storage and distribution from 1942 to 1984, are similar to the operations of Celanese at 354 Doremus Avenue. The similarity of the known operations at these facilities, which EPA deemed appropriate for an early cash-out settlement, to the operations of Celanese further supports a conclusion that Celanese should be included among the parties to which EPA offers a future cash-out settlement.

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Please let us know if we can provide EPA with any additional information that would assist in confirming that EPA should include Celanese in a future cash-out settlement.

Sincerely,



Duke K. McCall, III

cc: Juan Fajardo, Esq.
Sarah Flanagan, Esq.
James O'Toole, Jr., Esq.